

Item #3, May 11, 2017 / Item #12 May 18, 2017 Council Meeting Agenda
From: Council Member Alison Alter, May 13, 2017

As promised at Council last Thursday, I am following up with a list of the questions which I would like answered before making a decision on the proposed \$3.5 million budget amendment to cover additional overtime for AFD (Item #12 on the May 18th agenda).

In reviewing transcripts from various work and Council meetings going back to February, the questions raised fell under three broad categories.

- 1. What are we actually spending these \$3.5 million on?**
- 2. What are the opportunity costs of this decision?**
- 3. Why and how did we end up in a situation of relying on so much overtime to now be funded out of our reserves?**

In what follows, for each category I have provided clarifying questions that I think will give us the information we need to make this important decision. I would like these questions answered and welcome any other information that staff (especially at AFD, HR, and budget) believe would help answer the broader questions highlighted in each category.

As a Council we have spoken about this decision directly and indirectly across several interactions and I have tried where possible to reference those conversations.

Category 1. What are we actually spending these \$3.5 million on?

Reference: CM Alter, questions 5/11/2017, 5/9/17

Please provide specifics that would help us understand what exactly we are funding with our \$3.5 million. For instance, what is the total number of hours of overtime likely to be funded by this additional \$3.5 million? How many hours and how much money per person on the force does \$3.5 million translate to? How much have we already spent on overtime this year? How might we think of this budget amendment amount relative to the reserve fund? How else might we think about the total number of overtime hours funded by the proposed \$3.5 million budget amendment?

Reference: CM Flannigan's questions, 5/11/17 Council Q & A

In addition my colleague, CM Flannigan requested related information:

- 1) How many total overtime hours have been used YTD connected to this request?
- 2) How many overtime hours YTD have been triggered by using leave time in the same pay period?
- 3) What percentage of firefighters have used leave and overtime in the same pay period?
- 4) What is the current amount of terminal pay for FY2017?

Category 2: What are the opportunity costs of this decision?

Reference: CM Alter, questions on 5/11/2017 and 2/8/2017

Broadly speaking, I would like the budget office to provide detail on the opportunity costs of funding this budget amendment and other information they believe relevant for us to understand the budget implications involved, including but not limited to the below.

It seems to me that we are making a budget amendment right now that has implications for our budget options next year and I would like to understand those tradeoffs. One possible tradeoff area would be with respect to one time funding opportunities for other departments or even within AFD. Please provide a list of all the one time items that we funded last year and that we already are trying to include in next year's budget. Am I correct that these type of expenditures are particularly likely to be precluded by using up reserves now? Within the AFD budget, how might spending this money on overtime now impact our ability to make decisions that mitigate for wildfire preparedness at the budget cycle - or other desired AFD expenditures?

How might we impact future budgets in terms of likely overtime expenditures by agreeing to this budget amendment now?

It is my understanding that without the \$5.8 million reserve added per the fiscal notes we would not be able to grant \$3.5 million without dipping into our 12% reserve. Please verify this understanding. What would have happened had we arrived at this point in the year and our budget reconciliation had not yielded an extra \$5.8 million? If the extra reserves weren't available, how would this have been covered within the existing AFD budget? What would happen within the AFD budget and the larger City budget if we didn't fund the \$3.5 million?

Category 3. Why and how did we end up in a situation of relying on so much overtime to now be funded out of our reserves?

The first part of this question we have discussed in various budget work sessions and at the 5/9 work session. However, some related questions remain unanswered and to my knowledge some data has not yet been provided.

Reference, CM Alter, questions across sessions back through 2/1/2017

Since 2007 what have been our overtime costs incurred? I would like data or graphics on AFD overtime that would help us understand how long there has been a trend in increasing overtime expenditures. I also would like the data or graphics to help me better understand in real time how overtime expenditures map with the evolution of 4 person staffing (including its introduction and full implementation phases). I would like the same overtime mapping for the period extending from prior to and post the justice department's consent decree. In addition, please provide detail as to when vacation was included in the contract as productive time and provide a graphic of vacancies to overtime for the last 10 years.

Please provide a disaggregated look at overtime. I imagine there are many ways to slice this and would welcome as detailed as information as you can provide. For instance, what portion of overtime comes from reimbursed special events? What portion comes from officers taking vacation as productive time? Which staff are taking overtime - thinking in terms of rank and pay? (Ultimately these are questions for all departments, not just public safety. Please answer for AFD for the item on this week's agenda and provide answers for questions that apply to other Public Safety Departments at the appropriate 5/17/2017 Policy Meeting.)

Broadly speaking how do special events contribute to overtime? How much overtime do we pay that is driven by special events? Please clarify how we calculate a given officer's overtime in a given week if they work a special event. Is there a trigger with respect to special events similar to the vacation productive pay example that leads us to have to pay overtime for the officer's regular duties? How much do we charge for overtime on special events and does that rate actually cover our costs? What options do we have to alter that fee and when in the budget process might we address that?

Were there any unexpected, emergency or catastrophic events this year that drove overtime? Provide the exact number of hours that were driven by these events and the percentage they represent of the overtime cost for this year.

How much overtime have we been incurring in order to spot vacancies? How many vacant positions are we spotting with overtime in this fiscal year?

Reference: CM Alter's questions on 4/20, shared with staff via email from CM Alter on 4/24, and re-requested in work session on 5/9:

What are the structural elements in the contract that may be contributing to the use of overtime? Last week we heard about one, the counting of vacation as productive time in the fire contracts, but we need to understand how that plays out in actual overtime counts and what other contractual elements may be impacting overtime.

I believe the other two questions I asked on 4/20 are relevant to understanding how we got here and I hope that I will get answers to these at the 5/17 budget policy work session. These apply to all three public safety departments.

- 1. What are the drivers in the various contracts that cause us to invest more in public safety than in other areas?**
- 2. Given that we spend over 67% of the general fund budget on public safety, how do we measure our return on investment as compared to other cities' expenditures and outcomes?**